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CENTRAL INTELLIGENCE AGENCY

REPORT NO

INFORMATION REPORT

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COUNTRY China

DATE DISTR.

29 June 1951

SUBJECT 1.

WHELF SELL CO

Progress of l'ilitary and Economic Projects. Kwangsi

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Soviet Advisers Views on Possible World War

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INFO.

- 1. Soviet economic advisers to the Chinese Communists said in late May 1951 that the projected economic projects for Kwangsi had not begun. The projects include the construction of oulp mills, a sugar refinery, smelters, and hydroelectric installations. However, progress on military construction, such as roads, railroads, airfields, and the removal of obstructions from rivers had been satisfactory. The military projects were scheduled to be completed by the end of July 1951, if nossible.
- 2. Soviet advisers for Kwangsi stated that they were expecting a world-wide conflict to commence very soon, but gave no date for the expected outbreak. The Soviets also said that in the expected conflict Japan and the rice-producing areas of Southeast Asia would be available to supply China. It was not clear whether this was a statement of the Soviets' beliefs or whether they were issuing propaganda for Chinese consumption.

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